

In re Randall's Island Family Golf Centers, Inc., et al.
Chapter 11 Case Nos. 00-41065 through 41196 (SMB)

Global Bidding Procedures Program

The following bidding procedures shall govern the sale of the Debtors' interest in certain non-residential real property (each a "Property" and collectively, the "Properties"). The procedures have been approved by order of the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, dated _____, 2000, of the United States Bankruptcy Court for the Southern District of New York (the "Court") in the Debtors' chapter 11 cases, which were commenced on May 4, 2000. No property shall be deemed to be sold unless the Court has approved such sale and the same is in fact consummated. The bidding procedures which shall apply are as follows:

(a) Form of Competing Offer - A Competing Offer must be in the form of an interlineated copy of the contract submitted by the Initial Offeror, with any and all changes clearly marked and initialed. The Competing Offeror shall cross out the amount of the Initial Offer and the signature of the Initial Offeror, insert the amount of the Competing Offer, and execute the interlineated contract. Competing Offers must be made upon the same general terms and conditions as the Initial Offer, provided, however, that the Debtors shall retain the authority to consider a Competing Offer on different terms and conditions and allow the Competing Offeror to bid on the relevant Property if the Debtors believe that such Competing Offer will maximize recovery to the estates.

(b) Overbid Requirements - Competing Offers must provide for total consideration to be received by the Debtors which is at least seven and one-half percent (7.5%) greater than the aggregate cash consideration provided in the Initial Offer (without giving effect to any fees that may be payable in connection with the Initial Offer).

(c) Deposit - Any Competing Offer for a Property must be accompanied by a deposit of a cashier's check or a certified check, payable to the Escrow Agent, in an amount equal to ten percent (10%) of the amount of such Competing Offer (together with any deposit made in connection with an Initial Offer, a "Deposit"). Deposits shall be returned upon completion of an Auction (as defined below) to all parties but the two highest bidders, whose Deposits shall be retained until the transfer of title to the Property from the Debtors to the successful bidder is consummated and the Debtors have received all sums due in connection with such transaction (the "Closing"). At the time of the Closing, the Deposit of the successful bidder

shall be credited to the agreed purchase price and the Deposit of the remaining bidder, unless forfeited pursuant to paragraph (m)(3) hereof, shall be returned to such bidder.

(d) Proof of Financial Wherewithal - Competing Offers must be accompanied by written proof of financial wherewithal (e.g., audited financial statements, copy of financing commitment, copy of bank account statements, etc.) sufficient to close a sale at the price of the Competing Offer, such proof being in form and content acceptable to the Debtors and their advisors.

(e) Bidder Registration Form - In connection with a Competing Offer, a Competing Offeror must complete and submit a "Bidder Registration Form," a copy of which is attached hereto.

(f) Purchaser's Broker Affidavit - If a Competing Offeror is represented by a real estate broker, the Competing Offeror may preserve the broker's right, if any, to a commission payable in connection with the sale of any Property by submitting with the Competing Offer a properly completed Broker Affidavit substantially in the form attached hereto. Failure to submit a Purchaser's Broker Affidavit with a Competing Offer will absolutely preclude a broker from any right to claim compensation from the Debtors, the Debtors' estates or Keen.

(g) Submission of Competing Offers - Competing Offers must be submitted so as to be received by the Debtors, Debtors' counsel, Keen, counsel for The Chase Manhattan Bank and counsel for the Official Committee of Unsecured Creditors in the Debtors' chapter 11 cases by noon on the second business day prior to a hearing for approval of sale of the Property (a "Hearing"). The original of a Competing Bid and the Deposit shall be submitted to:

Dominic Chang, Chairman and CEO
Family Golf Centers, Inc.
538 Broadhollow Road
4th Floor
Melville, NY 11747
(facsimile no. 631-694-1935)

Copies of each Competing Bid shall also be sent to:

Harold Bordwin, President
Keen Realty Consultants, Inc.
60 Cutter Mill Road
Great Neck, NY 11021
(facsimile no. 516-482-5764)

and to:

Lawrence A. First, Esquire
Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, NY 10004
(facsimile no. 212-859-4000)
(Counsel to the Debtors)

and to:

Edward S. Weisfelner, Esquire
Berlack, Israels & Liberman, LLP
120 West 45th Street
New York, NY 10036
(facsimile no. 212-704-0196)
(Counsel to Official Committee of
Unsecured Creditors)

and to:

Patricia F. Brennan, Esquire
Morgan, Lewis & Bockius
101 Park Avenue, 40th Floor
New York, NY 10178
(facsimile no. 212-309-6273)
(Counsel to The Chase Manhattan Bank)

(h) Auction/Bid Increments - If any party submits a Competing Offer which complies with procedures set forth in this Motion, the Debtors may conduct an auction (an "Auction") at the offices of Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, NY 10004, to be scheduled for 10 a.m. on the morning of the day of the Hearing. If an Auction is held, subsequent bids above the minimum Competing Offer amount set forth in paragraph (b) above must be made in the following minimum bidding increments:

(i) if the Initial Offer was less than \$100,000, bidding increments of at least \$2,500;

(ii) if the Initial Offer was at least \$100,000 and less than \$250,000, bidding increments of at least \$5,000; and

(iii) if the Initial Offer is \$250,000 or more, bidding increments of at least \$10,000.

(i) Additional Deposit - At the conclusion of any Auction, the successful bidder must transfer to the Debtors, via cashier's check or certified check payable to the Escrow Agent, an amount equal to the difference between ten percent (10%) of the prevailing bid at the Auction and the Deposit previously submitted by such bidder.

(j) Offers to Remain Open - All Competing Offers (written and verbal) shall be absolute offers to purchase the Property for cash only and shall not be subject to financing contingencies, unperformed due diligence or any other contingency. In addition, subject to the terms of any contract, all offers (written or verbal) shall remain open and irrevocable until the Closing, regardless of whether a Deposit has been returned. Acceptance of a Competing Offer does not constitute rejection of an Initial Offer or any other Competing Offer until the completion of the Closing. No offer shall be deemed rejected unless and until rejected by the Debtors in writing.

(k) Withdrawal of Property From Auction - Notwithstanding anything to the contrary contained herein, the Debtors reserve the right to withdraw a Property from an Auction if the circumstances indicate that the Debtors' estates would benefit by such withdrawal.

(l) Additional Bidding Rules - At any Auction, prior to the commencement thereof, the Debtors may establish such other rules of bidding as the Debtors deem necessary or appropriate.

(m) Post-Auction Matters - (1) The highest and best bid received at the Auction, which bid shall be determined in the sole discretion of the Debtors, shall commit the person or entity making the bid to consummate the purchase of the relevant Property on or before the date established by the Initial Offer, whether such offer is a Competing Offer or the Initial Offer. The Debtors shall have the right to consider factors other than the monetary consideration offered (including, but not limited to, timing considerations, contingencies attached to an offer or the offeror's ability to close the transaction and any commissions which may be payable to a buyer's broker) in determining what is the highest and best bid.

(2) After any Auction is conducted, the two highest and best bids received at the Auction shall be presented to the Court for approval at the Hearing. Following Court approval, the Debtors shall consummate the sale of the Property to the highest and best bidder.

(3) If all conditions to the obligations of the highest and best bidder to purchase the Property have been satisfied and such bidder shall fail or refuse to consummate the purchase of the relevant Property on or before the date established by the parties for the Closing (the "Closing Date"), its Deposit shall be forfeited and retained by the Debtors as liquidated damages. In such event, the Debtors shall have the option to demand and receive an additional deposit from the next highest bidder (whose bid was previously approved by the Court) in an amount equal to the difference between ten percent (10%) of such bid and the Deposit previously submitted by such bidder. If

all conditions to such bidder's obligations to consummate the purchase have been satisfied and for any reason it shall fail or refuse to consummate the purchase of the Property on or before the Closing Date, then such bidder's deposit shall also be forfeited and retained by the Debtors as liquidated damages.

(n) Jurisdiction - Any and all disputes related to the Auction, the sale of the Properties and brokerage commissions shall be adjudicated by the Court. By submitting a Competing Offer, Initial Offer and/or participating in the Auction, all bidders and their brokers, if any, expressly consent to the jurisdiction of the Court.

(o) No Warranty - Debtors will convey its rights and interests under the Properties free and clear of all security interests and liens created or incurred by the Debtors of any kind whatsoever. IT IS HEREBY EXPRESSLY ACKNOWLEDGED AND AGREED THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, DEBTORS, ON BEHALF OF THEMSELVES AND THEIR AGENTS AND REPRESENTATIVES, HEREBY EXPRESSLY DISCLAIM ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES AS TO TITLE, SUITABILITY FOR ANY PURPOSE, MERCHANTABILITY AND ANY OTHER WARRANTIES OR REPRESENTATIONS AS TO THE OWNERSHIP, PHYSICAL CONDITION, QUALITY OR QUANTITY OF THE PREMISES. BUYER ACKNOWLEDGES AND AGREES THAT IT HAS INSPECTED THE PREMISES AND ACCEPTS SAME IN ITS PRESENT CONDITION, "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

BIDDER REGISTRATION FORM

BIDDER I.D.

Bidder: _____

Bidder's Address: _____

Bidder's Contact: _____

Bidder's Phone Number: _____

Bidder's Facsimile Number: _____

Bidder's Tax I.D. Number: _____

ATTORNEY I.D.

Bidder's Attorney: _____

Bidder's Attorney's Address: _____

Bidder's Attorney's Phone Number: _____

Bidder's Attorney's Facsimile Number: _____

BIDDER'S REAL ESTATE BROKER, if any

Broker: _____

Broker's Address: _____

Broker's Contact Person: _____

Broker's Phone Number: _____

Broker's Facsimile Number: _____

Broker's Tax I.D. Number: _____

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
:
RANDALL'S ISLAND FAMILY GOLF : Case Nos. 00 B 41065 (SMB)
CENTERS, INC., ET AL., : through 00 B 41196 (SMB)
:
Debtors. : (Jointly Administered)
:
- - - - - x

BUYER'S BROKER AFFIDAVIT

STATE OF _____)
) ss.:
COUNTY OF _____)

The undersigned, _____ ("Broker"),
being duly sworn, deposes and says:

1. Broker has received and reviewed a copy of the bidding procedures (the "Bidding Procedures") relating to sales of real property approved in the above-captioned cases by the United States Bankruptcy Court for the Southern District of New York by Order dated June __, 2000, and has agreed to be bound by and comply with the Bidding Procedures. Unless otherwise defined herein, capitalized terms used in this affidavit shall have the meanings ascribed to such terms in the Bidding Procedures.

2. Broker intends to seek compensation pursuant to the Bidding Procedures only if _____
("Bidder") closes a transaction to purchase a Property from the Debtors and the Debtors have received all sums due in connection with such transaction. Broker acknowledges that the Debtors are

relying upon Broker to abide by the Bidding Procedures and that such reliance by the Debtors is reasonable.

3. Broker is acting solely as a real estate broker in this transaction and not as a principal and Broker is in no way affiliated with Bidder.

4. Insofar as I have been able to ascertain, Broker has no connection with the Debtors in these chapter 11 cases, their creditors, nor other party in interest herein, their respective attorneys and accountants or other advisors, the United States Trustee, or any person employed in the Office of the United States Trustee, except as set forth herein. Except with respect to the brokerage commission that may hereinafter be earned, Broker has not performed any services at any time for the Debtors and the Debtors do not owe Broker any money. To the best of my knowledge, information and belief, Broker is a disinterested person, as that term is defined in Section 101(13) of title 11 of the United States Code (the "Bankruptcy Code") and used in Section 327 of the Bankruptcy Code. Broker does not hold or represent any interest adverse to the Debtors or their estates.

5. Broker acknowledges that no commission or fee shall be due, owing, or paid by the Debtors to Broker or shared by any other real estate brokers retained by the Debtors unless Broker and Bidder have fully satisfied each of the requirements of the Bidding Procedures, the sale transaction has closed, title to the property has been transferred from the Debtors to the

Bidder and the Debtors have received all sums due in connection with such transaction.

6. Broker acknowledges that the commission payable to Broker in full satisfaction of Broker's right, if any, to a commission shall be an amount equal [] percent ([]%) of the price submitted by the Bidder as part of its Bid Package, which commission is equal to \$_____, and that such commission shall be due and payable by the Debtors only if, as and when the sale actually closes, title to the Property transfers from Debtors to Bidder, and the full purchase price is actually paid.

I swear that the foregoing statements are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

Name:
Title:

SWORN AND SUBSCRIBED
before me this __ day
of _____, 2000

Notary Public
My commission expires: _____